



Senate

General Assembly

January Session, 2011

File No. 136

Senate Bill No. 1085

Senate, March 22, 2011

The Committee on Insurance and Real Estate reported through SEN. CRISCO of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING HEALTH INSURANCE COVERAGE FOR COLONOSCOPIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-492k of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective January 1, 2012*):

3 (a) Each individual health insurance policy providing coverage of
4 the type specified in subdivisions (1), (2), (4), (11) and (12) of section
5 38a-469 delivered, issued for delivery, amended, renewed or continued
6 in this state [on or after October 1, 2001,] shall provide coverage for
7 colorectal cancer screening, including, but not limited to, (1) an annual
8 fecal occult blood test, and (2) colonoscopy, flexible sigmoidoscopy or
9 radiologic imaging, in accordance with the recommendations
10 established by the American College of Gastroenterology, after
11 consultation with the American Cancer Society, based on the ages,
12 family histories and frequencies provided in the recommendations.
13 [Benefits] Except as specified in subsection (b) of this section, benefits
14 under this section shall be subject to the same terms and conditions

15 applicable to all other benefits under such policies.

16 (b) No such policy shall impose a coinsurance, copayment,
17 deductible or other out-of-pocket expense for any additional
18 colonoscopy ordered in a policy year by a physician for an insured.
19 The provisions of this subsection shall not apply to a high deductible
20 health plan as that term is used in subsection (f) of section 38a-493.

21 Sec. 2. Section 38a-518k of the general statutes is repealed and the
22 following is substituted in lieu thereof (*Effective January 1, 2012*):

23 (a) Each group health insurance policy providing coverage of the
24 type specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-
25 469 delivered, issued for delivery, amended, renewed or continued in
26 this state [on or after October 1, 2001,] shall provide coverage for
27 colorectal cancer screening, including, but not limited to, (1) an annual
28 fecal occult blood test, and (2) colonoscopy, flexible sigmoidoscopy or
29 radiologic imaging, in accordance with the recommendations
30 established by the American College of Gastroenterology, after
31 consultation with the American Cancer Society, based on the ages,
32 family histories and frequencies provided in the recommendations.
33 [Benefits] Except as specified in subsection (b) of this section, benefits
34 under this section shall be subject to the same terms and conditions
35 applicable to all other benefits under such policies.

36 (b) No such policy shall impose a coinsurance, copayment,
37 deductible or other out-of-pocket expense for any additional
38 colonoscopy ordered in a policy year by a physician for an insured.
39 The provisions of this subsection shall not apply to a high deductible
40 health plan as that term is used in subsection (f) of section 38a-520.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>January 1, 2012</i>	38a-492k
Sec. 2	<i>January 1, 2012</i>	38a-518k

INS

Joint Favorable

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 12 \$	FY 13 \$
Comptroller Misc. Accounts (Fringe Benefits)	GF & TF - Cost	\$176,500	\$176,500

Note: GF=General Fund d, TF = Transportation Fund

Municipal Impact:

Municipalities	Effect	FY 12 \$	FY 13 \$
Various Municipalities	STATE MANDATE - Cost	Potential	Potential

Explanation

As of July 1, 2010, the State Employees' Health plan went self insured. Pursuant to current federal law, the state's self-insured health plan would be exempt from state health insurance benefit mandates. However, in previous self-funded arrangements the state has traditionally adopted all state mandates. To the extent that the state continues this practice of voluntary mandate adoption, the following impact would be anticipated.

This mandate will cost the state employee health plan approximately \$176,500 annually. The state health plan currently provides coverage for in-network colorectal cancer screening, with no copayments and no limit as to the number of colorectal cancer screening tests, provided they are medically necessary. The state Point of Service Plan (POS) currently requires a 20% copayment for out-of-network colorectal cancer screening, and the state Point of Entry Plan (POE) does not cover this benefit out-of-network.

The bill would prevent the POS plan from charging the 20%

copayment for any out-of-network follow-up tests, and result in the projected annual cost stipulated above.

The bill prohibits imposing a copayment for colorectal cancer screening; however it does not require out-of-network coverage of these services. Therefore the mandate would not require the POE plans to begin offering this benefit out-of-network.

The bill's provisions may increase costs to certain fully insured, non-grandfathered municipal plans which require copayments for follow-up colonoscopies. The coverage requirements may result in increased premium costs when municipalities enter into new health insurance contracts after January 1, 2012. To the extent that follow-up screenings may be considered a preventative service pursuant to the Patient Protection and Affordability Care Act (PPACA), all non-grandfathered municipal plans are already required to cover screenings without cost-sharing^{1,2}. Due to federal law, municipalities with self-insured health plans are exempt from state health insurance benefit mandates.

The state employee health plan and many municipal health plans are recognized as "grandfathered" health plans under the PPACA. It is unclear what effect the adoption of certain health mandates will have on the grandfathered status of the state employee health plan or grandfathered municipal plans PPACA³.

¹ Grandfathered plans include most group insurance plans and some individual health plans created or purchased on or before March 23, 2010. Pursuant to the PPACA, all health plans, including those with grandfathered status are required to provide the following as of September 23, 2010: 1) No lifetime limits on coverage, 2) No rescissions of coverage when individual gets sick or has previously made an unintentional error on an application, and 3) Extension of parents' coverage to young adults until age 26. (www.healthcare.gov)

² Pursuant to the PPACA, as of September 23, 2010, all non-grandfathered health plans are required to cover preventative services rated A or B by the U. S. Preventive Services Task Force, with no cost sharing.

³ According to the PPACA, compared to the plans' policies as of March 23, 2010, grandfathered plans who make any of the following changes within a certain margin may lose their grandfathered status: 1) Significantly cut or reduce benefits, 2) Raise co-insurance charges, 3) Significantly raise co-payment charges, 4) Significantly raise

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

The federal health care reform act requires that, effective January 1, 2014; all states must establish a health benefit exchange, which will offer qualified plans that must include a federally defined essential benefits package. While states are allowed to mandate benefits in excess of the basic package, the federal law appears to require the state to pay the cost of any such additional mandated benefits. The extent of these costs will depend on the mandates included in the federal essential benefit package, which have not yet been determined. However, neither the agency nor mechanism for the state to pay these costs has been established.

deductibles, 5) Significantly lower employer contributions, and 5) Add or tighten annual limits on what insurer pays. (www.healthcare.gov)

OLR Bill Analysis**SB 1085*****AN ACT CONCERNING HEALTH INSURANCE COVERAGE FOR COLONOSCOPIES.*****SUMMARY:**

By law, health insurance policies must cover colorectal cancer screening, including (1) an annual fecal occult blood test and (2) colonoscopy, flexible sigmoidoscopy, or radiologic imaging, in accordance with recommendations of the American College of Gastroenterology, in consultation with the American Cancer Society, based on age, family history, and frequency.

This bill prohibits policies from imposing a coinsurance, copayment, deductible, or other out-of-pocket expense for any additional colonoscopy a physician orders for an insured person in a policy year. Other than this prohibition, benefits are subject to the same terms and conditions that apply to policy benefits. The bill specifies that its prohibition does not apply to a high-deductible health plan designed to be compatible with federally qualified health savings accounts.

The bill applies to individual and group health insurance policies delivered, issued, renewed, amended, or continued in Connecticut that cover (1) basic hospital expenses; (2) basic medical-surgical expenses; (3) major medical expenses; or (4) hospital or medical services, including coverage under an HMO plan.

Due to the federal Employee Retirement Income Security Act (ERISA), state insurance benefit mandates do not apply to self-insured benefit plans.

EFFECTIVE DATE: January 1, 2012

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable

Yea 10 Nay 7 (03/10/2011)